

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 12, 2006

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2006-00100

NATIONWIDE MUTUAL INSURANCE COMPANY,
NATIONWIDE MUTUAL FIRE INSURANCE
COMPANY,
NATIONWIDE GENERAL INSURANCE COMPANY,
and
NATIONWIDE ASSURANCE COMPANY,

Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendants, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-317 A and 38.2-510 A 10 of the Code of Virginia; 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, and 14 VAC 5-400-70 D; and a Cease and Desist Order entered by the Commission in Case No. INS-2003-00012.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that the Defendants have committed the aforesaid alleged violations.

The Defendants have been advised of their right to a hearing in this matter, whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of

settlement to the Commission wherein the Defendants have tendered to the Commonwealth of Virginia the sum of forty-five thousand dollars (\$45,000), waived their right to a hearing, agreed to the entry by the Commission of a cease and desist order, and agreed to comply with the Corrective Action Plan outlined in their responses to the market conduct examination report. The Defendants have also agreed that a local representative of the companies will meet with the Bureau on a quarterly basis for one (1) year and report on the progress they have made in correcting the problems identified in this and previous exams.

The Bureau of Insurance has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendants' offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendants cease and desist from any conduct which constitutes a violation of §§ 38.2-317 A or 38.2-510 A 10 of the Code of Virginia, or 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, or 14 VAC 5-400-70 D; and

(3) The papers herein be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to Mark Berven, Regional Vice President, Nationwide Insurance Companies, One Nationwide Plaza (1-38-09), Columbus, Ohio 43215; and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister.